

Message Text

UNCLASSIFIED

PAGE 01 TUNIS 06179 311104Z

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-08 XMB-04 ERDA-07 AID-05

CEA-01 CIAE-00 DODE-00 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-15

OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-10 /130 W

-----127391 311851Z /46

R 301300Z AUG 77

FM AMEMBASSY TUNIS

TO USDOC WASHDC

INFO SECSTATE WASHDC 2073

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

UNCLAS TUNIS 6179

COMMERCE FOR CAGNE

DEPT PASS EXIMBANK

BRUSSELS FOR USEC

E.O. 11652: N/A

TAGS: BENC, ENRG, TS

SUBJ: MISKAR NATURAL GAS PROJECT: STATUS REPORT

REF: TUNIS 4931 (NOTAL, TUNIS 5381 (NOTAL), TUNIS

3311 (NOTAL)

1. SUMMARY: STATUS OF MISKAR OFF-SHORE GAS PROJECT, GIVEN FORMAL APPROVAL LAST MONTH BY TUNISIAN CABINET, WAS DISCUSSED A7GUST 29 WITH STEG PLANNING CHIEF REKIK. HE WAS OPTIMISTIC ON SECURING LONG-TERM FINANCING FOR \$600 MILOION PROJECT APART FROM IBRD AND EUROPEAN INVESTMENT BANK, SAW EXIM ROLE. SAID PRODUCTION START-UP STILL SCHEDULED FOR 1981, BUT GOT MIGHT OPT FOR ONE YEAR DELAY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TUNIS 06179 311104Z

BROWN AND ROOT FAILED TO OBTAIN DRILLING PLATFORM ENGINEERING CONTRACT, BUT AMERICAN FIRMS ENCOURAGED TO SEEK PRESELECTION THIS FALL FOR JANUARY TENDERS ON CONSTRUCTION AND INSTALLATION OF PLATFORM. CONSULTATIONS (LIMITED TENDERS) ALSO EXPECTED FOR JANUARY ON \$120 MILLION GAS TREATMENT PLANT AND ON PRODUCTION AND OTHER PLATFORMS. PIPELINE TENDERS FORSEEN FOR MID-1978. END SUMMARY.

2. REKIK TOLD ECONOMIC COUSELLOR THAT DRILLING PLATFORM ENGINEERING CONTRACT ABOUT TO BE AWARDED TO DUTCH ENGINEERING FIRM HEEREMA, WHICH LOWEST BIDDER AT UNDER \$300,000. REKIK SAID BROWN AND ROOT PROPOSAL DISAPPOINTING IN THAT, THROUGH APPARENT MISUNDERSTANDING, IT FAILED TO RESPOND FULLY TO CALL FOR TENDER. NEXT STAGE, REKIK SAID, WILL BE PRESELECTION OF FIRMS FOR CONSTRUCTION AND INSTALLATION OF DRILLING PLATFORM. INTERESTED FIRMS WILL BE ASKED TO SUBMIT INFORMATION ON THEIR QUALIFICATIONS. MISKAR GROUP THEN, BY JANUARY 1, WILL REQUEST TENDERS FROM LIMITED NUMBER OF QUALIFYING FIRMS. CONSTRUCTION AND INSTALLATION MAY BE CONTRACTED SEPARATELY. IF COMBINED, COST MIGHT AMOUNT TO ROUGHLY \$10 MILLION.

3. REKIK SAID MISKAR GROUP (GOT AND ELF-AQUITAINE) WILL ALSO BEGIN CONSULTATIONS IN JANUARY WITH ENGINEERING FIRMS INTERESTED IN THE APPROXIMATELY \$120 MILLION GAS TREATMENT PLANT. (ACCORDING TO REKIK, NO CLEAR DISTINCTION HERE BETWEEN ENGINEERING AND EQUIPMENT TENDERS, SINCE FIRMS WITH ENGINEERING TECHNOLOGY COULD BE EXPECTED TO PUT TOGETHER GROUP OF SUPPLIERS). CONSULTATIONS ON PRODUCTION, LIVING QUARTERS AND OTHER OFFSHORE PLATFORMS ALSO SCHEDULED FOR EARLY 1978. CONSULTATIONS ON PIPELINES TO FOLLOW ABOUT MID-YEAR.

4. REKIK EXPRESSED OPTIMISM ON PROJECT FINANCING. HE SAID EQUITY IN NEW MIXED ENTERPRISE FOR MISKAR TO RUN
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TUNIS 06179 311104Z

20 TO 25 PERCENT OF TOTAL COST, I.E. ABOUT \$100/125 MILLION. HE EXPECTED GOT (PROBABLY STEG AND ETAP) TO HOLD 85 PERCENT OF EQUITY, AND ELF/AQUITAINE THE BALANCE. (REKIK EXPECTS TO BE WITH NEW FIRM, BUT NON-COMMITAL WHETHER HE EXPECTS TO BE CHIEF EXECUTIVE). PUBLIC LONG TERM (15 YEAR) FINANCING EXPECTED FROM IBRD AND EUROPEAN INVESTMENT BANK (POSSIBLY ALSO FROM ARAB PETROLEUM INVESTMENT CORPORATION). BALANCE OF FUNDING, THOUGH IN FORM OF SUPPLIERS' CREDITS, EXPECTED ALSO TO BE ON LONG TERM BASIS OF 10/12 YEARS AFTER PRODUCTION START UP. REKIK SAID IBRD APPRAISAL MISWON IS EXPECTED HERE IN OCTOBER/ NOVEMBER. HE REITERATED INTEREST IN EXIMBANK FINANCING IF BANK CAN MEET MINIMUM TERM OF 10 YEARS FROM START UP; SAID GROUP WOULD GIVE FURTHER THOUGHT TO ASKING FOR PRELIMINARY COMMITMENT.

5. ASKING ABOUT RESERVOIR EVALUATION BY WILLIAMS BROTHERS ENGINEERING, REKIK SAID PROVEN NATURAL GAS RESERVES FOR MISKAR NOW TOTAL 35 BILLION CUBIC METERS WITH ADDITIONAL 55 BILLION CUBIC METERS IN PROBABLE RESERVES. (THERMAL CONTENT IS 8 THERMS PER CUBIC METER.) APART FROM THESE,

THERE ARE ADDITIONAL 15 BILLION CUBIC METERS IN ELYSSA
AND HASDRUBAL FIELDS, NOT FAR FROM MISKAR IN GULF OF
GABES.

6. REKIK SAID THAT PRODUCTION START UP STILL IS TARGETTED
FOR 1981 BUT THAT CALLS FOR TENDER MAY WELL REQUEST
TWO BIDS BASED ON ALTERNATIVE 1981 AND 1982 START UP DATES.
IF ALGERIAN GAS DEFINITELY WILL BE AVAILABLE IN 1981,
GOT COULD OPT FOR ONE YEAR DELAY ON MISKAR, HE SAID.
KING

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATURAL GAS, ECONOMIC ASSISTANCE, PROGRAMS (PROJECTS), EXPLORATORY DRILLING
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TUNIS06179
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770345-0479, D770314-1193
Format: TEL
From: TUNIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977086/aaaaaeqg.tel
Line Count: 125
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8213635a-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 TUNIS 4931, 77 TUNIS 5381, 77 TUNIS 977
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1595724
Secure: OPEN
Status: NATIVE
Subject: MISKAR NATURAL GAS PROJECT: STATUS REPORT
TAGS: BENC, ENRG, TS
To: COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/8213635a-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009